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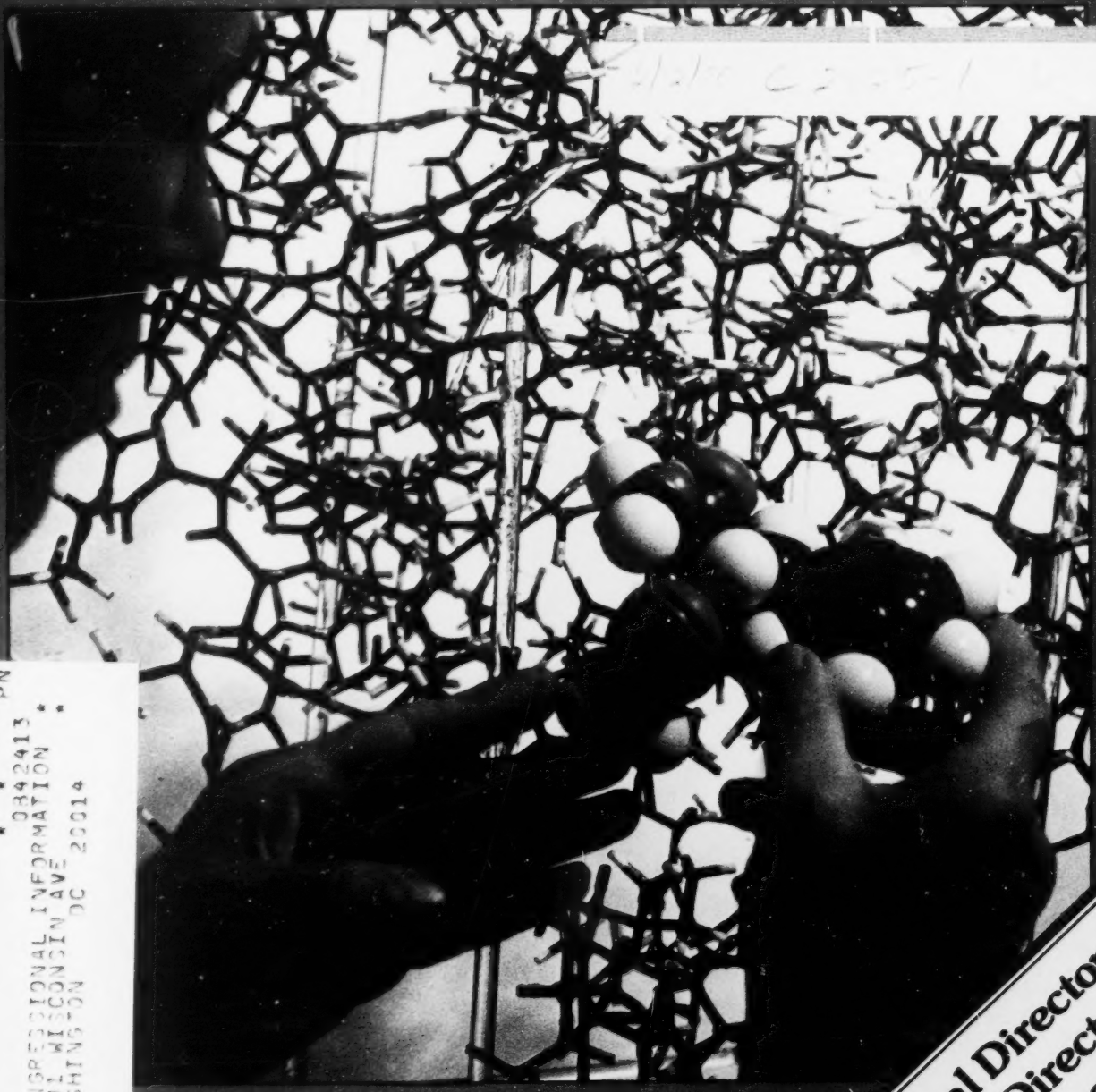
DECEMBER 1980

Pension World

The Magazine for Plan Sponsors / A Publication of Communication Channels, Inc.

CIBA-GEIGY: Building Mobility into Its Fund



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A Look at Congressional Pensions

The Future of Master Trust

5th Annual Directory of Master & Directed Trust Services

December 1980

Pension World

Volume 16 Number 12

The Magazine for Plan Sponsors / A Publication of Communication Channels, Inc.

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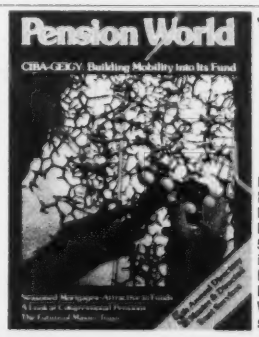

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Update:
Canadian pension funds

by Wayne D. Beazer

In July, 1975, *Pension World* reported that the book value of Canadian trusteed pension assets grew in 1973 at the highest rate for any single year since 1960. Since that report, which was based on information prepared by Statistics Canada, the growth of Canadian trusteed pension assets has continued at record levels. In 1978, based on the December, 1978, Statistics Canada annual figures, growth reached a 19.43 percent rate. This represented a book value of $35.5 billion in assets, a 100 percent increase over the December, 1974, asset value. (See Table I.) The most dramatic increases occurred in 1975 and 1978, and it appears that growth rates are continuing into the present.

Though trusteed pension funds constitute a comparatively minor portion of the *number* of pension plans in Canada, they are the dominant *group* in terms of participating members, contributions, and assets held. The trusteed assets reported were held for 2.8 million pension plan members, an increase of 22 percent during the 1974-78 period despite a 14 percent decline in the total number of trusteed pension funds. Generally, trusteed plans tend to be found in larger organizations, whereas smaller plans tend to gravitate to insurance contracts as a funding vehicle.

In 1961, Canadian life insurance companies were allowed to enter the pension business through the use of segregated funds. These funds were offered to pension sponsors as a median for participation in marketing value securities and were segregated from the firms' regular life insurance and annuities business. As of December 31, 1978, the market value of assets managed by the majority (33) of insurance companies was $4.3 billion in segregated funds, or approximately 12 percent of the trusteed assets.

The balance of this article will relate to trusteed assets; however, many similarities exist between the insurance segregated funds and trusteed assets, and parallel conclusions may be drawn in most instances.

On December 31, 1978, the market value of assets held in trusteed pension funds exceeded the book value. Table II reviews the recent book/market value history and as is evidenced, 1978 was the first year since 1973 that market value exceeded book value, reflecting the improved market conditions during 1978. The market value of pension funds was $36.2 billion. With net cash flow approximating 15 percent per annum and the Canadian equity markets of 1979 and 1980 experiencing dramatic strength, one might expect the market value of Canadian trusteed pension funds to exceed $55 billion by December, 1980. Market value should continue to overrun book value in 1980.

The Statistics Canada figures in Table III can be misleading, although the directional trend is indicative of the somewhat more cautious stance Canadian investors have tended to assume compared to their U.S. counterparts. The 1960's witnessed a convergent trend between Canadian and U.S. pension plan exposure to equities. Equity exposure within Canadian pension funds peaked in 1972, and every year until 1978, we experienced a declining trend in equity exposure.

Principal Statistics of Canadian Trusteed Pension Funds

	Assets ($ million)	% Increase (Over Prev. Yr.)	Employees Covered (000)	Number of Pension Funds
1969	10,003	—	1,719	4,072
1974	18,284	13.1	2,307	3,680
1975	21,210	16.0	2,416	3,622
1976	25,234	19.0	2,667	3,543
1977	29,737	17.8	2,757	3,403
1978	35,517	19.4	2,824	3,302

Table I

All figures at book value.

Book Value Versus Market Value Canadian Trusteed Pension Funds

	Book Value (Millions of Dollars)	Market Value
1970	11,059	10,573
1973	16,171	16,303
1974	18,284	16,352
1975	21,210	19,841
1976	25,234	24,716
1977	29,737	29,538
1978	35,517	36,203

Table II

Wayne D. Beazer is vice president of McLean, Budden Limited in Toronto, Ontario.

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Percentage Diversification of Assets

	1970	1974	1975	1976	1977	1978
Government Bonds	3.9%	1.9%	1.8%	2.5%	3.8%	4.7%
Provincial Bonds	26.0	26.1	25.1	25.2	25.7	25.3
Municipal Bonds	6.1	4.1	3.7	3.5	3.7	3.2
Corporate Bonds	12.9	14.8	15.9	15.2	14.5	12.8
Preferred Stock	0.6	0.4	0.4	0.3	0.2	0.2
Common Stock	21.0	20.9	21.5	20.6	18.5	18.6
Non-Cdn. Stock	5.2	2.9	3.3	3.8	3.0	3.1
Mortgages	9.5	11.5	12.1	13.5	13.6	13.1
Cash	6.4	9.4	8.6	7.3	8.8	10.8
Other	8.4	8.0	7.6	8.1	8.2	8.2
	100.0	100.0	100.0	100.0	100.0	100.0

Table III All figures at market value as of 12/31.

Distribution of Assets "Mean" Cdn. Pension Universe

	1970	1974	1975	1976	1977	1978	1979	1980
	%	%	%	%	%	%	%	%
Cash	6.0	11.6	7.7	6.5	7.5	11.7	13.2	12.2
Bonds	30.6	27.7	32.0	33.4	35.3	35.1	34.2	35.3
Mortgages	12.4	13.3	14.2	16.5	18.3	18.1	15.5	13.6
Equities	51.0	47.4	46.1	43.6	38.9	35.1	37.1	38.9

All figures as of 6/30.

Table IV Source: Wood Gundy Comparative Measurement Service

Although the figures in Table III substantiate this trend, perhaps a more sensitive barometer of Canadian pension asset distribution is the Wood Gundy Comparative Measurement Service. This service monitors approximately 600 Canadian pension funds. In their June 30, 1980, report, a study of their "median fund" distribution of assets provides information based on market valuations which may be more indicative of recent trends. (See Table IV.)

Clearly, Canadian investors have not shared the same enthusiasm for equities as their U.S. counterparts; however, a similarity does exist in the general trend of equity exposure.

One of the factors contributing to the distortion between the Wood Gundy mean equity exposure and the Statistics Canada figures is the inclusion in the Statistics Canada report of public sector funds. Of the 3,302 trusteed funds included in the Statistics Canada report, only 272 were in the public sector. Yet, while representing just over eight percent of all funds, the public sector covered nearly 44 percent of all pension plan members and held over 50 percent of total assets. Some of the large public sector funds are obliged to invest in government

Employer-paid benefits rise, survey shows

The value of benefits provided to management-level employees in the private and public sectors rose to about 38 percent of their salaries in 1980, according to a survey of 216 major employers across Canada by Hay Associates. Based on March 1, 1980, responses, the survey covers industry, finance, and public service, and encompasses supervisors, managers, executives and specialists.

The increase in benefits paid by employers was only 1.2 percent over the same period in 1979, up to 33 percent. Employee contributions accounted for the other five percent increase in benefits. The 1980 level value of employer-paid benefits perquisites and time off with pay means if an employee's salary is, for example, $30,000 a year, the employer provides $10,000 worth of benefits on top of the salary.

Nearly 80 benefit items are canvassed in the survey, including stock option and bonus plans, company cars and allowances, disability plans and health care. The section on pensions also incorporates vesting provisions.

More than half the companies surveyed are based in Ontario. Seventy-two percent have 250 to 20,000 or more employees. Eighty-one percent have annual gross sales and operating incomes or budgets of $40 million to $500 million up.

Highlights of the survey show:

- Seventy-nine percent of the employers provide a dental plan in 1980, compared to 64 percent in 1979. In 99 percent of the plans, the employers pay for at least 50 percent of the cost.
- More than 30 percent of the employers offer pre-retirement counseling. Almost all of them help pay for employees' business-related educational courses, but only nine percent of them provide paid sabbatical leaves, generally for one year.
- Employers are providing and paying for more basic life insurance, survivor income benefits, accidental death and disability and travel accident coverage.
- Virtually all of the questioned employers offer three weeks vacation after one to five years' service, and 85 percent offer five weeks or more vacation.
- More than 90 percent provide paid days off for jury duty and bereavement. Less than half provide time off with pay for moving, paternity, or maternity leave.

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The Toronto Stock Exchange has been a stellar performer, almost tripling since the end of 1976.

bonds, hence the variance in equity exposure.

An outstanding feature of Canadian pension funds' investment activity in recent years is the lack of enthusiasm for common stocks despite a performance which has been particularly buoyant in the last 30 months. By comparison with the Dow Jones Industrial Average, the Toronto Stock Exchange has been a stellar performer, almost tripling since the end of 1976 when its composite average and the Dow were both at about 800. Admittedly, Canada's advantage for investors has been reduced by the devaluation of the Canadian dollar over this period, and the Dow gives an unfairly bleak picture of U.S. stocks' performance. Nevertheless, the Canadian market has shown a major recovery from the 1974-75 nadir which has recently taken it to new highs. It may, therefore, seem strange that the percentage invested by Canadian pension funds in equities has remained well below levels that are considered normal in the United States and that it appears likely that even some net selling of equities occurred in the year ending June 30, 1980. Taken at market value, the equity percentage of pension fund portfolios measured by Wood Gundy was still slightly under 40 percent at the middle of this year.

Explanations for this continuing tendency to hold down the equity percentage are numerous. An important source of strength for the equity market was the exploratory oil sector, and pension funds have often been reluctant to be heavily weighted in this category. The same can be said of gold shares. A number of traditionally emphasized groups, such as financial companies' shares, have achieved much less sparkling records, and this may have led to a downplaying of equities.

More generally, long-held anticipations of recession together with apprehension regarding a number of unfavorable and ongoing political developments have been discouraging influences. While taxpaying individuals were encouraged by the dividend tax credit to emphasize equities, and foreigners' interest was stimulated by growing instability in other parts of the world, pension funds lagged in participation in a booming market. The poor performance of bonds may, in time, change attitudes, but this has yet to be proved.

In 1975, we asked the question, "What areas will gain in importance?" At that time, it appeared that bonds and mortgages would emerge as the dominant asset classes in the second half of the '70's. As a percentage of total fund (Wood Gundy mean), fixed-income investments (bonds and mortages) increased from 41.0 percent on June 30, 1974, to 48.9 percent on June 30, 1980.

The flight out of equities following the 1974 market resulted in a defensive move into the supposedly less volatile bond market. The timing could not have been worse. Recently, a fixed-income manager was reportedly overheard saying that he was considering adding common stock to his bond portfolios to cut down on the volatility of his fixed-income portfolios.

In Canada, the dominant factor in the bond market has been the government of Canada, with an apparently insatiable appetite for new money. Between June, 1975, and June, 1980, the trend into fixed-income investments would have produced better results if it had been directed into the mortgage market. During this five-year period, the median mortgage portfolio has had a cumulative median return of 10.3 percent versus 8.8 percent for bonds (for five years ending June 30, 1980, Wood Gundy Comparative Measurement Service).

One reason for this phenomenon is that Canadian pension fund mortgage holdings are heavily weighted towards the five-year, rate renewable residential mortgage. Given that the decade of the 1970's was a period of rising interest rates, a significant portion of the better mortgage performance really resulted from their shorter average term against bond portfolios.

Table V shows that most trusteed pension funds in Canada have

(Continued on page 76)

Net Income (Summary of Income and Expenditures) Trusteed Pension Funds

	Income		Expenditures	
	Employee/ Employer Contributions	Investment Income Realized Profit on Sale of Securities	Payments & Cash Withdrawals	Realized Loss on Sale of Securities & Other Exp.
	(Millions of Dollars)			
1970	1,054	571	503	116
1974	2,128	1,233	981	189
1975	2,727	1,383	1,104	186
1976	3,392	1,712	1,320	134
1977	3,920	2,185	1,512	173
1978	4,680	2,891	1,824	127

Table V

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Master trust — its future

(Continued from page 13)

will thrive, in terms of a competitive advantage.

The underlying feature of master trust is still the delivery of information relative to security processing and trust accounting. Those institutions who concentrate on delivering quality service will do well. Competent, hard-working trust account officers will always be necessary to answer the phone when a master trust customer calls. It is the responsiveness at this basic level that has brought today's recognized master trustees to their role of leadership in the industry.

Master trust will be around for a long time, and it will continue to develop new wrinkles. Getting back to the original question — perhaps it is best to let this service go without a precise definition. Otherwise, we will have to come up with new labels for the new services that will continually spring up from the vital roots of this concept. □

Seasoned mortgages

(Continued from page 16)

lateral trust certificates routes provided an acceptable way out. In both of these cases, as we pointed out earlier, the institution holding the old mortgages uses them as collateral to borrow fresh investment funds without any change in ownership of the collateral ever taking place. Since there is no change in ownership, no loss need be posted on the institution's books. It was the requirement to show the loss from the discounted sale of seasoned mortgages that killed many a prospective transaction in the past.

Obviously, the opportunities for the purchase of low-coupon seasoned mortgages are limited. On the one hand, there is little chance that mortgage rates are likely to fall again into the single-digit category. Further, mortgage lenders are turning increasingly to varied forms of renegotiable home loans to protect themselves against sharply higher interest costs in future years. It appears that the day of the long-term, level-rate home mortgage is rapidly drawing to a close, effectively eliminating the possibility of any significant number of deeply discounted seasoned below-market home loans in future years.

For these reasons, current opportunities to purchase older loans, carrying below-market coupons, at substantial discounts will not be in place long. Interested fund managers should, therefore, act as promptly as prudence permits. □

Update: Canadian funds

(Continued from page 28)

a positive cash flow despite the fact that ever-increasing numbers of members are drawing benefits under pension plans. The net cash flow into trusteed pension funds in 1978 was $5.6 billion. While the cost of providing benefits (payments and cash withdrawals) plus realized losses on the sale of securities reached a new high of nearly $2 billion in 1978, investment income alone was more than sufficient to cover this cost, thereby leaving all employee and employer contributions to be directed to the capital markets for further investment.

Roughly two-thirds of total income is accounted for by employee/employer contributions which can be directed to the capital markets. This significant emerging buying reserve for direction into securities could lead to higher equity ratios within Canadian trusteed pension plans in the 1980's. □

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Congressional pensions:

Exiting with a sweet carrot

by Roy A. Schotland and Martha Jo Wagner Paris

When Senator Frank Church (D-Idaho) leaves Congress at the end of 1980, his retirement benefits — starting in 1981, when he will be age 57 and eligible — will total $41,111 *per year.*[1] He has served 24 years in the Senate and four in the military. His pension will be 34 percent larger than the pension of a hypothetical general Federal employee with exactly the same service and salary, who would be entitled to $30,686 per year.

If ex-Senator Bill Brock (R-Tenn.) were to die now, before he is eligible to begin receiving his pension, his widow would be entitled to $10,125 *per year,* 55 percent of his $18,410 pension. He served eight years in the House, six in the Senate and three in the military. But a widow of a general Federal employee (again, assuming the same service and salary as Brock's) would be entitled to a mere refund of her spouse's contribution — only a single lump sum of about $38,569 — with *no* interest at all!

When Rep. John Murphy (D-N.Y.) leaves office at the end of 1980, when he will have served in nine Congresses or 18 years, he will immediately begin receiving a $31,406 *per year* pension. He will be 55 years old. A general Federal employee with less than 20 years' service cannot begin receiving a pension until age 62.

While general Federal employees can retire under few criteria, members of Congress can retire under many [5 U.S.C. §§ 8336(g), 8338(b)]:

1. age 62 with five years of service;

2. age 60 with ten years of member service;

3. ages 55 to 59 with 30 years of service;

4. age 50 with 20 years of service, including at least ten years of member service;

5. age 50 with service in nine Congresses; and

6. any age with 25 years of service.

Such differences in ages of eligibility mean (to go back to the example of Sen. Church) that the member not only receives a pension 34 percent larger than a general Federal employee, but begins receiving it three years earlier than could the general employee.

These are merely examples showing how uniquely generous is the pension plan for members of Congress. Why are a Congressional member's benefits so much larger and available so much earlier than a general Federal employee's? The differences in these benefits do not reflect differences in salaries, because all these examples assume a general Federal employee with the same salary as the Congressional member. Rather, the benefit differences reflect differences in the pension plans.

Are benefits that are that much better for members of Congress justified? To borrow the phrasing of Rep. Les Aspin (D.-Wisc.), who in August criticized what he deemed unduly generous retirement benefits for the Armed Forces, isn't this system "straining generosity a wee bit"?

It's not the Armed Forces, but members of Congress who have one of the most generous pension plans in the nation and the most generous plan for any government service. The Armed Forces' retirement plan was thoroughly reviewed by a particularly able Presidential Commission as recently as 1978. The plan for members of Congress has had no examination of any type since it began in 1946.

Despite the Congressional members' loudly professed cost-consciousness and special sensitivity about their own pay, there has *never* been any actuarial study, never *any* cost review, of the Congressional pension plan. The only rough estimate of its cost was made in 1946, before its enactment. And the sponsor of that 1946 "study" (done for Congress by the National Planning Association) testified: "[W]e went overboard in our recommendations here giving a preferential treatment to you folks relative to retirement, departing from all actuarial principles."[2]

[1]Participation in Congress's pension plan is voluntary. So far as we have been able to verify with the only information public, all or virtually all members of Congress do choose to participate, but we have not been able to verify whether any specific person — except for ten retired and eligible Senators — has chosen to participate. In light of the overwhelming likelihood of participation, it is reasonable to assume that each member is a participant. Our figures rest on public information about each named member and calculations done with the aid of a leading Fellow of the Society of Actuaries, whose aid is deeply appreciated.

Roy A. Schotland is professor of law and Martha Jo Wagner Paris is a member of the Class of 1982 at Georgetown University Law Center, Washington, D.C. *Appreciation is expressed by them to Victor R. Prince, GULC '83, for special aid in this study.*

[2]Testimony of Robert Heller, Hearings on S. 2177, Special Committee on the Organization of Congress, 79th Cong. 2d Sess., 859 (1946).

There has *never* been any actuarial study, never *any* cost review, of the Congressional pension plan.

Members of the Congress have better benefits because there are three key differences and at least three smaller ones between the Congressional members' pension plan and the general Federal employees' pension plan.

1. Members have a better pension formula than general Federal employees. That explains the 34 percent difference ($10,425 per year) between Sen. Frank Church's pension and the pension of the hypothetical general Federal employee with the same service and salary. The members' pension rate for each year of service is 2.5 percent of average "high-three-consecutive-years" salary, but the general Federal employees' rate ranges only from one and a half to two percent. Thus, Sen. Church gets a pension totaling 70 percent of his average salary, while the general Federal employee with the same salary and service would receive only 52 percent of his average salary. True, the members contribute slightly more, eight percent of salary, compared to the general Federal employees' seven percent. But, as noted below, the Congressional members' pension system costs the Government about 55 percent of payroll, so one percent more or less from members' contributions just doesn't matter. One striking, but not unusual, example of how relatively insignificant are the member's contributions is ex-Senator Eugene McCarthy, whose pension is worth about $909,000 but whose own contributions plus interest totaled only $124,471.

2. Members' spouses have much better protection. That is clear from the difference between the treatment of Mrs. Bill Brock and the widow of a general Federal employee.

3. Members can retire with a pension after briefer service. Members who are 60 or older can retire on a pension after only *ten* years of member service and begin immediate benefits. A general employee needs *20* years of service to retire at age 60. A member with 25 years of service can — voluntarily or by courtesy of his dissatisfied constituents — retire at any age. In contrast, a general employee with 25 years' service can begin immediate benefits only if leaving involuntarily or "voluntarily during a major reorganization."

There are also at least three smaller "sweeteners" distinguishing the members' plan from the general Federal employees' pension plan.

1. The member's benefit ceiling is higher. The member's pension is limited to 80 percent of the *highest* pay received, but a general Federal employee's limit is 80 percent of the employee's *average* pay in the highest three consecutive years.

2. The member's salary is higher. In 1980, it is $60,662. Of the several million Federal employees, only *40* earn as much or more than the Congressional members: the President, Vice President, and the Secretaries and Deputy Secretaries. So our comparative examples, figured as if a general Federal employee earned as much as a member, vastly understate the actual pension benefit difference between equally dedicated public servants with equal length of service. Of course, there are sound reasons for paying members of Congress more than almost any other Federal "servants," and there may also be sound reasons for higher pension benefits. But how much higher is sound?

3. After leaving service and beginning to receive pension benefits, if an ex-member of Congress is appointed to a new Federal post, he earns new benefits much sweeter than would a general Federal employee who also had retired and later re-entered, even though the ex-member and the ex-general employee might be in precisely the same level job (or even the very same job, but, of course, at different times). The re-entering ex-general employee would earn no new benefits unless he stays in service more than one year from re-entry, but the ex-member would start earning new benefits from his first day back. Further, the ex-member enjoys his old benefit accrual rate of two and one-half percent of pay, but the ex-general employee earning the very same pay for the very same work has an accrual rate of two percent at most, possibly only 1.75 percent. An ex-general employee could have almost twice as much previous service as an ex-member's five years' previous service, but would accrue at 1.75 percent while his ex-member colleague at the next desk was accruing at 2.5 percent. Still further, if Federal pensions were improved between the time the two re-entrants retired and the time they came back, then the ex-member would enjoy the new improvements immediately upon re-entry, but the ex-general employee would have to work at least five years from re-entry before the new improvements would apply to him.

In addition, there is one minor difference which is less favorable for members. Persons retiring and beginning to receive their pensions before age 60 with less than 30 years' service get reduced pensions, with members' being reduced slightly more than general Federal employees'. For example, a member who left Congress at age 50 and started on his pension would have a 15 percent reduction, whereas a general Federal employee in the same situation would have a ten

	Column A[1]	Column B-1	Column B-2	Column C[1]	Column D	Column E	Column F	Column G
	Benefits Age 62 With Survivor Option	Benefits Age 62 Without Survivor Option	Hypothetical General Federal Employee's Benefits With Same Service & Salary	If They Took Benefits at Earliest Age Eligible Without Survivor Option	Contributions (including interest)	Value of Pension Without Survivor Option	Value of Pension With Survivor Option	Ratio of Member's Contributions (including interest) to Government's Cost[4]
Senators-Active								
Goldwater, Barry, Sr.[2] (R.-Ariz.) 24 yrs.[3] Born 1909	$37,270 as of 1980	$41,111 as of 1980	$30,686	Would receive $41,111 in 1981	$144,631	$372,000	$ 427,000	1:1.6 (1:1.9)
Byrd, Harry Flood, Jr. (Ind.-Va.) 15 yrs. Born 1914	$20,092 as of 1980	$22,024 as of 1980	—	Would receive $22,024 in 1981	$ 97,397	$247,000	$ 284,000	1:1.5 (1:1.9)
Church, Frank[2] (D.-Id.) 24 yrs., Born 1924	$37,270 as of 1980	$41,111 as of 1980	$30,686	Would receive $41,111 in 1981	$146,927	$672,000	$ 773,000	1:3.6 (1:4.3)
Senators-Retired								
Scott, Hugh (R.-Pa.) Born 1900 1941-44, 1947-76, 34 yrs.	Receiving: $52,128	Receiving: $57,507	—	Receiving: $57,507	$181,253	$567,000	$ 652,000	1:2.1 (1:2.6)
McCarthy, Eugene J. (D.-Minn.) 1949-1970, 22 yrs. Born 1916	Receiving: $23,342	Receiving: $25,566	$18,710	Receiving: $41,219	$124,471	$909,000	$1,045,000	1:6.3 (1:7.4)
Smathers, George A. (D.-Fla.) 1947-1968, 22 yrs. Born 1913	Receiving: $28,171	Receiving: $30,809	$20,216	Receiving: $43,934	$132,673	$999,000	$1,149,000	1:6.5 (1:7.6)
Brock, Bill[2] (R.-Tenn.) 1963-1976, 14 yrs. Born 1930	$16,839 as of 1976	$18,410 as of 1976	$13,103	Would receive $18,410 in 1990	$ 93,244	$128,000	$ 147,000	1:0.4 (1:0.6)
Tunney, John V.[2] (D.-Calif.) 1965-1976, 12 yrs. Born 1934	$14,890 as of 1976	$16,244 as of 1976	$11,371	Would receive $16,244 in 1996	$ 75,756	$ 76,000	$ 96,000	1:0.0 (1:0.3)
Mondale, Walter[2] (D.-Minn.) 1965-1976, 12 yrs. Born 1928	$13,915 as of 1976[5]	$15,161 as of 1976	$10,504	Would receive $15,161[5] in 1988	$ 87,732	$123,000	$ 141,000	1:0.4 (1:0.6)
Nixon, Richard M. (R.-Calif.) 1948-1953, 6 yrs. Born 1913	Receiving: $ 3,828[5]	Receiving: $ 3,924[5]	$ 3,318	Receiving: $ 3,924[5]	$ 27,401	$ 64,000	$ 74,000	1:1.4 (1:1.7)
Tydings, Joseph D.[2] (D.-Md.) 1965-1970, 6 yrs. Born 1928	$ 7,045 as of 1970	$ 7,528 as of 1970	—	Would receive $ 7,528 in 1990	$ 47,253	$ 49,000	$ 56,000	1:0.0 (1:0.2)
Representatives								
Bolling, Richard (D.-Mo.) 32 yrs. Born 1916.	$43,947	$48,530	$41,258	Would receive $48,530 in 1981	$181,685	$588,000	$ 676,000	1:2.2 (1:2.7)
Rhodes, John (R.-Ariz.) 28 yrs. Born 1916.	$48,071	$53,112	—	Would receive $53,112 in 1981	$182,796	$643,000	$ 740,000	1:2.5 (1:3.0)
Anderson, John (R.-Ill.) 20 yrs. Born 1922.	$29,342	$32,302	$23,689	Would receive $31,656 in 1981	$120,766	$483,000	$ 555,000	1:3.0 (1:3.6)
Murphy, John (D.-N.Y.) 18 yrs. Born 1926.	$30,663	$33,770	—	Would receive $31,406 in 1981	$109,086	$549,000	$ 632,000	1:4.0 (1:4.8)
Crane, Phil (R.-Ill.) 12 yrs. Born 1930.	$18,470	$20,556	—	Would receive $20,556 in 1990	$ 72,160	$143,000	$ 164,000	1:1.0 (1:1.3)
Aspin, Les (D.-Wisc.) 10 yrs. Born 1938.	$17,448	$19,087	$13,067	Would receive $19,087 in 1998	$ 57,213	—	—	—
Fisher, Joseph (D.-Va.) 6 yrs. Born 1914.	$12,163	$13,214	—	Would receive $13,214 in 1981	$ 31,929	—	—	—
Spellman, Gladys Noon (D.-Md.) 6 yrs. Born 1918.	$ 8,199	$ 8,810	$ 5,433	Would receive $ 8,810 in 1981	$ 31,929	$147,000	$ 162,000	1:3.6 (1:4.1)
Stockman, David A. (R.-Mich.) 4 yrs. Born 1946.	$11,189[6]	$12,132[6]	—	Would receive $12,132[6] in 2008	—	—	—	—

[1]Explanations of calculations are available from the authors.
[2]Member not yet receiving benefits because not yet retired or not yet 62 years old.
[3]Years of Congressional service through 1980, not total creditable service, e.g. military.
[4]The first ratio is for pension without survivor option, the second (in parentheses) is with survivor option. A 1:1 ratio means that Member and Government each paid half.
[5]Benefits from Presidency and Vice-Presidency excluded.
[6]This calculation assumes:
1) Re-Election in 1980.
2) Serves during the entire 97th Congress.
3) No increase in Member salaries or contributions through 1982.

Almost ten percent of Congress are already double-dipping at direct taxpayer expense.

percent reduction; however, the general employee could start on his pension before age 55 only if he left "voluntarily during a major reorganization" of his agency, or left involuntarily.

What is the case for giving members of Congress better pensions? One policy consideration that does *not* explain the difference, is the members' possible short tenure. If short tenure were the key, then one would expect Cabinet officers to be treated as the members of Congress are. Cabinet officers serve at the will of the President, just as Congressional members serve at the will of the people. In fact, a Cabinet officer's employment is even less stable than a Congressional member's, for a Cabinet officer has no set term, whereas a member has either a two-year House term or a six-year Senate term. If short tenure in office is a concern, Cabinet officers should not be lumped into the general Federal pension plan — but they are.

A current concern which probably does explain some of the superiority of Congress' pensions is the need to give members who are no longer productive an incentive to leave. If an unusually attractive pension will ease non-productive members out of Congress, the country is undoubtedly better off paying for that carrot and replacing the non-productive person with a livelier new member. But does the members' pension system need to be as sweet as it is to help the dead-wood find its way to the exit?

The appealing picture of the old member, worn out by years of Congressional service and dependent upon a Congressional pension, is mostly myth. Once it was true. Former Speaker Joe Martin wrote of his own vote against Congressional pensions back when Bankhead of Alabama (father of Tallulah), was Speaker. Later, on the day that Martin had spoken against the pension proposal, Speaker Bankhead talked privately with him:

> I'm sorry you did that, Joe. That bill was needed badly. Take my own case. I've put in years in the House. I have no law practice left. If I lost my seat, I'd be broke without a pension. That would be my lot for serving the country.

"On relection," Joe Martin decided he'd been wrong, and when the proposal was up again in 1946, he "supported it enthusiastically."[3]

That appealing, even poignant picture, is faded. Today's members' usual career pattern assures ample income and, most likely, one and probably even two additional pensions. As one recent study concluded, "The number of Representatives leaving in mid-career has risen dramatically in the last decade. The House has become more of a stepping-stone — either to higher office or to a policy-making job outside of government" (*Congressional Quarterly*, Jan. 12, 1980, pp. 79-80).

In 1978, the average age of exiting Congressmen was 54, and of Senators, 59. Only four years earlier, the average exiting Congressman was two years older and the average exiting Senator was six years older. Similarly, the average entering Congressman in 1979 was 49 years old, but in 1961 was 52; and in 1979, the average entering Senator was 53, but in 1961 was 57. (Nor are these years exceptions. The trend since 1961, the earliest year for which we found such data, is steadily toward a younger Congress.)

[3]Martin, *My First 50 Years in Politics*, as told to Robert J. Donovan (Greenwood Press, 1960), p. 248.

By no means do we deplore the youth movement in Congress. Today, however, the fact remains that members have some other career before entry, the great majority of them building up at least one pension then. Indeed, 33 currently active members are already receiving pension benefits from state or city governments, and another 15 currently active members are already receiving military retirement pensions. For example, in addition to their current Congressional pay of $60,662, Senator Cranston receives each year $35,703.19 from a California state pension and Rep. Glenn Anderson of California receives $28,681, each year. Eleven other sitting members also currently receive over $10,000 each, per year, from state or municipal government pensions.[4]

Doubtless, many more members of Congress will have such pensions coming to them when they are older. Military retirement pay gives $15,888 per year to Senator Cannon (D-Nev.) and $12,804 to Senator Goldwater (R-Ariz.), as well as substantial amounts to 13 other sitting members.[5]

In short, almost ten percent of Congress are already double-dipping at direct taxpayer expense.

After leaving Congress, most members have a third career, often enjoying particularly significant jobs because of having been in Congress — and also coming into a third pension! For all the fuss we hear about double-dipping, the odds are that many members of

[4]Press release of National Taxpayers Union, Oct. 24, 1980.

[5]*Chicago Tribune* story on National Taxpayers Union release, Sept. 14, 1980, § 2.
No disability pay is counted here.
Reps. John Rhodes (R-Ariz.) and G. V. Sonny Montgomery (D-Miss.) are entitled to military retirement pay but voluntarily decline it.

What is needed is an actuarial study of this system and its costs.

Congress not only have their uniquely rich Congressional pensions, but are triple-dippers!

These few examples show just how sweet the members' benefits are. Full information on the benefits of eight retired Senators, three active Senators, and nine active members of the House is found in the accompanying chart. It has been verified that all the eligible retired Senators are now receiving benefits; further information about the other members studied was unavailable. While the sample in the chart is not a random one proving a precise proposition, it does include a range of length of tenure and a balance between the two parties.

The pension data presented here are truly a representative indication of just how rich these pensions are. One could present similar data on a larger sample or an utterly random one, but such ventures would have the same strengths and weaknesses as this sample.

What is needed is an actuarial study, with full information available to it. No one knows how much these benefits cost. The rough estimate used when this system was enacted in 1946 was that pensions would cost the Government about 45 percent as much as salaries.[6]

Since 1946, although the contribution rate has been raised slightly, benefits have been much improved, especially by the very costly indexing to changes in the consumer price index; Congressional turnover has changed; and, of course, life expectancy has increased; all of which means that a pension is worth more now and so costs more now. It has been actuarially estimated that the members' pensions currently cost the Government about 55 percent of payroll. Using that figure, today's cost to the Government comes to $17.9 million per year.[7] The members' contributions total only $2.6 million per year (assuming that every member has chosen to participate; while participation is voluntary, it also is obviously attractive). The taxpayers, then, are paying $17.9 million per year just for members' pensions, or seven times as much as the members pay. That cost, indeed this whole paper does not include the approximately 20,000 Congressional employees whose pensions are more like the members' than like general Federal employees.

The surest step to take is to secure, forthwith, an actuarial study of this system and its costs. After that, then what steps? Perhaps the members' separate pension scheme costs so much that it ought to be terminated and the members of Congress treated just like general Federal employees. If the general Federal pension plan is beneficial enough for Cabinet officers, why isn't it beneficial enough for Congressional members? At least, some of the members' special embellishments could be eliminated, and the cost to members could be increased to reflect more accurately the actual worth of the pensions.

Perhaps, members' pay and pensions should be indexed *inversely* to the consumer price index, as Jeffrey Nichols, chief economist of Argus Research Corp., suggested recently.

Probably, some recognition of the shorter — and more precarious — tenure of members is appropriate, rather than simply lumping members in with general civil service.

But recognizing differences does not warrant hidden, richly self-serving largesse, with no concern about costs. Anyone watching Congress at all in the past four years knows how acute is the concern to cut Federal spending. For Federal employees' pensions, in 1980, this led to near-reversal of the twice-a-year cost-of-living increase for Federal retirees, a *reduction* that may well be enacted once the election hurdle is past. For the private pension area, 1980 has seen passage of the first amendments to the Pension Reform Act of 1974 ("ERISA"), amendments which pave the way for *reducing* the pension benefits of many members of multi-employer (or "union") pension funds. For all employees covered by Social Security, benefits payable over the long run were *reduced* in 1977 and "contributions" were greatly increased. Yet, the sweetest retirement scheme on the scene continues untouched, its costs rising with inflation; its participants' contributions ever more unrelated to costs.

Members of Congress enjoy many "perqs." At least with the other perquisites, we know what the costs are, and we can evaluate whether the perqs are warranted or are merely piggish self-help. Can we leave the cost of members' pensions in limbo? □

[6]S. Rpt. 1400, 79th Cong. 2d Sess. (1946), at 8.

[7]The figures in this study are the best possible estimates. If complete information and full actuarial resources were available, the 55 percent cost figure, to take one key item, might be even higher or, of course, slightly lower. (It would not be much lower because the Civil Service Retirement System Board of Actuaries has shown that the general Federal employees' pension system costs the Government just under 35 percent of payroll, and the Congressional members' system obviously is sweeter and so more costly.) The work here has been reviewed by three leading actuaries, and its substantial accuracy is clear. If there are minor inaccuracies, a full actuarial study would correct them.

5th Annual Directory of Master and Directed Trust Services

Master Trust continues to be defined in individual ways by the banks and trust companies offering them. Because of this, figures gleaned in a survey are not always comparable. The information in the directory that follows was provided to us by the banks and trust companies listed.

Although a sizable portion of those firms offering master and directed trust services are presented here, we recognize that the list is not exhaustive. Unfortunately, some questionnaires were never returned, others were received too late to be included, and others were declared too incomplete for use.

We appreciate the help given us in presenting this directory — both by the persons who completed and returned their questionnaires and by those who helped us in the revision and structuring of the questionnaire. We hope that each year's directory will continue to be more complete and inclusive.

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
American Bank and Trust Company of Pennsylvania **35 North Sixth Street** **Reading, PA 19601** **Contact:** Richard A. Hartley/ V.P. & E.B.O. 215/375-5570	1	40	$42	$20	$100	$250
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
American Trust and Savings Bank **Town Clock Plaza** **Dubuque, IA** **Contact:** James Cooney/T.O. 319/582-1841	84	30	$15.4	$14	$.2	$30.0
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
AmeriTrust Company **900 Euclid Avenue** **Cleveland, OH 44101** **Contact:** Robert C. Gebauer/ V.P. 216/687-5750	21	13	$1,000	$200	$100	$2,800
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Risk analysis/Universe ranking					
Bank of America NT & SA **555 California Street** **San Francisco, CA 94103** **Contact:** John P. Sheehy/ G.V.P. 415/622-2003	39	Approx. 400	$7,800	$2,000	$3,800	$13,000*
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund (capability), Market inventory fund (capability), Natural resources funds *9/30/80 reporting date.					
Bank of Idaho **P.O. Box 5757** **Boise, ID 83705** **Contact:** Art McConnell/ T.O. 208/336-0300 ex. 273	0	12	0	$69	$1.5	$75
	Services Provided: Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Bank of New Mexico **P.O. Box 1830** **Albuquerque, NM 87103** **Contact:** R. H. Vodian/V.P. 505/766-6330	80	15	$3.7	$2	$9	$14.7
	Services Provided: Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance. Benefit disbursement					
Bank of New York **48 Wall Street** **New York, NY 10015** **Contact:** John A. Cook/ V.P., E.B.T. 212/530-1784	12	32		$1,350 (combined)		$2,350
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Asset allocation model, Investment strategy overview, International fixed-income management					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
300	60	N/A	Actual delivery date	—	Treasuries, Repurchase agreements, Master notes, Cash Asset Fund, Commercial paper	C.A.F. — monthly, Master Note — monthly, others on term	—
Crediting Dividend and Interest Policy: Computer program when funds received. **Fee Structure:** Based on asset value only.							
114	57	38	Contractual settlement date	No	Federated cash mgmt. system funds, Treasury securities, Savings acct.	Daily, semi-annual maturity, quarterly (respectively)	Daily balances with monthly, quarterly or annual reviews
Crediting Dividend and Interest Policy: On cash basis; computer maps generated in anticipation of receipt and allocation. **Fee Structure:** Based on asset value only.							
90	7	25	Contractual settlement date, actual delivery date	Yes	STIF, Variable demand notes, CD's, T-bills, Commercial paper, Reserve fund consisting of one to three year gov't & agency issues, valued twice a month	Month-end	Three to five days after month-end
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on asset value only.							
over 3,000	3-150**		Trade date, contractual settlement date with pending adjustment, contractual settlement date, or actual delivery date, as desired by client	Not reported	STIF, Master notes, CD's, T-bills, Commercial paper, Repo's	As of next day, on monthly basis	Meets client specification
Crediting Dividend and Interest Policy: Not reported. **Fee Structure:** Based on asset value, individual services performed, or negotiated flat quote. **Based on complexity.							
81	80	4	Actual delivery date	No	Republic master note, Dreyfus money market instruments	Second business day of month	Fifth business day
Crediting Dividend and Interest Policy: On payment day. **Fee Structure:** Based on asset value only.							
3 bank E.B.T. funds	20	30	Trade date	Yes	STIF, short-term gov't obligations, major bank CD's	Weekly	Period-end plus ten days
Crediting Dividend and Interest Policy: Automatic by computer on pay date. **Fee Structure:** Based on individual services performed.							
71	10	2	Trade date, actual delivery date*	Yes	Master note, Short-term liquid asset fund	Payable date	Five to 15 business days
Crediting Dividend and Interest Policy: Cash, on payable date. **Fee Structure:** Based on asset value and based on individual services performed, as negotiated. *Flexible system; reports generated on trade date or delivery date, as required.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
Bank of Oklahoma, N.A. **P.O. Box 2300** **Tulsa, OK 74192** **Contact:** James R. Dodd/ V.P. & S.T.O. 918/588-6448	2	15	$42	$91	$41	$715
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Automatic cash management, Utilization of GIC's					
Bankers Trust Company **280 Park Avenue** **New York, NY 10017** **Contact:** Stephen G. Fredericks/V.P. 212/775-2500	67	103	$14,900	$1,000	$50	$36,000
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Asset/liability forecasting, Investment policy and objective setting, GIC analysis, Portfolio diagnostics, MPT tools and services, Contribution allocation, Research and analysis, Manager structure analysis, General consulting (writing fundamental investment plans)					
Bishop Trust Company, Ltd. **P.O. Box 2390** **Honolulu, HI 96804** **Contact:** Daniel P. Zaehring/ V.P. & Mgr. 808/523-2111	68	200	$40	$30	$110	$180
	Services Provided: Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Boston Safe Deposit & Trust Company **One Boston Place** **Boston, MA 02106** **Contact:** Patricia A. Carr/ V.P. 617/722-7000	13	68	$5,900	$200.6	$100	$6,200
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Asset allocation					
California First Bank **Pension Trust Division** **530 "B" Street** **San Diego, CA 92101** **Contact:** Horace B. Benjamin/ V.P. 714/294-4504	0	706	0	$157.8	$157.8*	$193.8
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Design, installation and submission of employee benefit plan to governmental agencies *Consider Directed and Custodial assets as the same.					
Central Fidelity Banks, Inc. **Third and Broad Streets** **Richmond, VA 23219** **Contact:** George T. Jamerson/ V.P. 804/782-4266	0	15	0	$57	$80	$230
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Central Penn National Bank **Five Penn Center Plaza** **Philadelphia, PA 19102** **Contact:** Thomas A. Campbell/ T.O. 215/854-3058	0	8	0	$16.3	$68.6	$118
	Services Provided: Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
25*	5	8	Trade date, Contractual settlement date with pending adjustment	No	STIF, Master notes, Money funds, Commercial paper, T-bills CD's	Second business day of month	By 12th of month
Crediting Dividend and Interest Policy: Automatic computer credit on payable date. **Fee Structure:** Based on asset value, individual services performed, or combination. *Master and Directed Trusts.							
1200	15*	10	Full trade date; full contractual settlement date	Yes	Master notes, Commercial paper, CD's/time deposits, U.S. gov't & Federal agency issues	Credited monthly based on avg. daily balance for preceding month	Daily Reports — one day, Transactions and Holdings Reports — three to five days, Equitable Share Reports — 18 days, Performance Reports — 14 days
Crediting Dividend and Interest Policy: In Fed funds on payable date. **Fee Structure:** Not reported. *Account relationships per relationship manager.							
65	150	38	Contractual settlement date with pending adjustment	—	Money market fund, Commercial, paper, Repo's, CD's	Maturity date	Transactions — third business day, Asset Value Reports — tenth business day of next month
Crediting Dividend and Interest Policy: Not reported. **Fee Structure:** Based on individual services performed.							
393	10	37	Trade date plus actual settlement date	Not applicable	Boston Safe-managed STIF, Boston Safe Money Desk	Monthly	Mailed five days after receipt of necessary information
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on asset value, individual services performed, number of plans and portfolios, or a combination of factors.							
764	127	19	Contractual settlement date	No	STIF, Master notes	Last business day of each month	By second or third week of month following client designated month-end
Crediting Dividend and Interest Policy: Credited to trust account on payable date. **Fee Structure:** Based on individual services performed or negotiated flat quote.							
60	55	20	Contractual settlement date	—	Federated investors, CFB note, temporary fund	Tenth of month	14 days after period-end
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on individual services performed.							
335	117	27	Purchases — contractual settlement date; Sales — actual delivery date	No	Pooled variable note, due on demand, Money market fund	First business day of month	All reports mailed within three business days of period-end
Crediting Dividend and Interest Policy: Dividend paid on receipt; interest paid when due. **Fee Structure:** Based on asset value, individual services performed or flat quote.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
Chase Manhattan Bank **1211 Avenue of the Americas** **New York, NY 10036** **Contact:** Edward Madden/V.P. 212/730-3110	68	204	$20,000*	$4,000	$26,000	$26,000
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Income projections *9/30/80 reporting date.					
Chemical Bank **30 Rockefeller Plaza** **New York, NY 10020** **Contact:** Gene J. Mastro/A.V.P. 212/621-2550	32	130	$4,500	$1,700	$12,000	$12,000
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Securities lending, Monitoring and consulting					
Citibank, N.A. **One Citicorp Center** **New York, NY 10043** **Contact:** Kenneth J. Hunt/V.P. 212/559-9895	125 (combined)		$20,000 (combined)		$110,000	$130,000
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Securities lending					
Citizens & Southern National Bank **P.O. Box 4114** **Atlanta, GA 30302** **Contact:** R. Schweitzer/V.P. 404/581-4018	11	43	$530	$272	$150	$2,500
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Pension/profit-sharing pooled funds					
Citizens Commercial & Savings Bank **One Citizens Banking Center** **Flint, MI 48502** **Contact:** Joseph A. Lemelin/A.V.P. & T.O. 313/766-7679	0	0	0	0	$181	$293
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Citytrust **961 Main Street** **Bridgeport, CT 06602** **Contact:** Peter E. Bowles/V.P. & T.O. 203/384-5243	4	10	$36	$30	$6	$150
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, 5500 forms, Guaranteed contracts					
Commerce Bank of Kansas City **Tenth and Walnut** **P.O. Box 248** **Kansas City, MO 64141** **Contact:** Joseph A. Burkart, II/V.P., E.B.D. 816/234-2572	3	100	$50	$300	$300	$630
	Services Provided: Performance measurement, Portfolio analysis, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
843	4-10	Varies	Trade date, contractual settlement date with full accrual	Yes	International short-term fund, Master notes, CD's, T-bills, Commercial paper, Pooled short-term investment funds	Same day	Ten business days
Crediting Dividend and Interest Policy: Same day, available funds. **Fee Structure:** Transaction-based with individual services option.							
145-150	25-30	N/A	Trade date, contractual settlement date	Yes	Chemical Bank Commingled STIF	First of month for preceding month	Ten to 15 days after period-end
Crediting Dividend and Interest Policy: Credited to trust on payable date. **Fee Structure:** Based on asset value only.							
N/A	10-15	N/A	Contractual settlement date with full accrual	Yes	STIF, Master notes, CD's, T-bills, Commercial paper, Repurchase agreements	End of month	Summary of transactions within five to seven days of first of month
Crediting Dividend and Interest Policy: On payable dates, available funds. **Fee Structure:** Based on individual services performed.							
450	110	15	Actual delivery date	No	Cash Management Fund managed by C&S	Daily earnings posted weekly	Daily with 24 hour lag; monthly statements within 72 hours
Crediting Dividend and Interest Policy: Immediate credit to account on due date. **Fee Structure:** Investments — based on asset value only; Plan Administration — based on individual services performed.							
643	155	155	Contractual settlement date with pending adjustment	No	Money market fund, CD's, Commercial paper	Last of month	On line real time
Crediting Dividend and Interest Policy: Upon receipt. **Fee Structure:** Based on asset value and individual services performed.							
220	73	44	Trade date	Not currently although in development	Commercial paper, Treasuries, monthly and daily short-term money market funds	Daily	As frequently as monthly provided within two weeks after closing
Crediting Dividend and Interest Policy: Credit trust account when actually received. **Fee Structure:** Based on asset value and individual services performed.							
75	100	25	Trade date, contractual settlement date with pending adjustment	No	Master notes, Liquid Asset Fund, Short-Term Gov't Securities Fund, open market purchases of CD's, Commercial paper, Gov't notes	Once a month	MT — by tenth calendar date, DT — 15th of month
Crediting Dividend and Interest Policy: Automatic income release on pay date. **Fee Structure:** Based on asset value and activity; negotiated flat quote is available.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
The Commonwealth National Bank **Box 1010** **Harrisburg, PA** **Contact:** William C. Miles/ V.P., E.B.Mgr. 717/780-3007	5	5	$30	$30	$40	$160
	Services Provided: Performance measurement, Participant recordkeeping, Benefit disbursement					
Continental Illinois National Bank & Trust Company **231 South LaSalle Street** **Chicago, IL 60693** **Contact:** Anthony P. Wilson/ V.P., Mktg. 312/828-7007	24	65	$2,100	$1,800	$225	$7,300
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Real estate fund, Asset liability projection					
Crocker National Bank **111 Sutter Street, 20th Floor** **San Francisco, CA 94104** **Contact:** Stephen McDonald/ S.V.P. & Mgr., E.B.T. 415/477-3133	14	N/A	$3,400	*	$4,800	$6,600
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Cash management, Combined reporting, Options trading, Securities lending, Commingled real estate equity and foreign equity funds *Included in custodial asset value.					
Fiduciary Trust Company of New York **Two World Trade Center** **New York, NY 10048** **Contact:** Peter V. Haight/ V.P. 212/466-4100	2	30	$180	$214	$394	$950
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, ERISA disclosure assistance, Benefit disbursement					
First Bank, Duluth, N.A. **306 West Superior Street** **Duluth, MN 55801** **Contact:** Thomas F. Beaupre/ T.O. 218/727-3301	1	8	$36	$20	$5	$150
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
First City Bank of Dallas **P.O. Box 88000** **Dallas, TX 75388** **Contact:** Jefferson A. Jolly/ V.P. & T.O. 214/655-8335	6	23	$149.5	$19	$17	$207
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Claims payment — 501(c)9 trusts					
First National Bank of Atlanta **Two Peachtree Street, N.W.** **P.O. Box 4148** **Atlanta, GA 30302** **Contact:** David S. Graham/ V.P. 404/588-5104	4	4	$766.0	$61.5	$189.6	$1,800
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
500	100	20	Contractual settlement date	No	In-house managed	Accrued daily credited monthly	Ten days after month-end
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on individual services performed.							
623	15-18	15-18	Trade date, contractual settlement date with pending adjustment, contractual settlement date	Negotiable	Open time deposits, Demand notes, STIF	First day following month-end	Three to four days
Crediting Dividend and Interest Policy: Clearinghouse and Federal funds on payable date. **Fee Structure:** Based on asset value, individual services performed, or flat quote.							
N/A	5 — M/D Trust unit 35 — Middle Mkt. unit	5	Trade date	Yes	Master notes, other money market instruments available	Last business day of month	Three to five days after period-end
Crediting Dividend and Investment Policy: In good funds available for reinvestment that day, on payable date. **Fee Structure:** Based on individual services performed, all negotiated.							
124	15	15	Trade date	Yes	Commercial paper, T-bills, Master notes, Repo's	Daily	Ten business days
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on individual services performed.							
285	70	95	Contractual settlement date	Yes	Variable amount note, Federated master trust, Short-term gov't trust	—	—
Crediting Dividend and Interest Policy: Cash, on payment date. **Fee Structure:** Based on asset value only.							
179	60	6	Actual delivery date	No	Pooled fund, Demand notes	Third day of month	Tenth of month
Crediting Dividend and Interest Policy: Dividends — day after payment date; interest — day of receipt. **Fee Structure:** Based on individual services performed.							
325	100	10	Contractual settlement date	No	Master notes, STIF	Monthly on first of month	Annual — within 30 days of year-end; monthly — two weeks
Crediting Dividend and Interest Policy: On pay date. **Fee Structure:** Based on individual services performed.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
First National Bank of Boston **100 Federal Street** **Boston, MA 02110** **Contact:** Peter F. Tague, III/ V.P. 617/434-4560	38 (combined)		$500	$700	$2,500	$3,700
	Services Provided: Performance measurement, On-line portfolio analysis, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
First National Bank of Casper **P.O. Box 40** **Casper, WY 82602** **Contact:** John McAteer/ V.P. & T.O. 307/235-4362	25	5	$2.5	$.4	0	$5.5
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
First National Bank of Chicago **One First National Plaza** **Chicago, IL 60670** **Contact:** Charles M. Spear/ V.P. 312/732-6476	32	57	$3,496	$350	$2,227	$11,311*
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Master trust plan recordkeeping, Real estate fund, Foreign securities fund *9/30/80 reporting date.					
First National Bank of Kansas City **P.O. Box 294** **Kansas City, MO 64141** **Contact:** Michael J. Patton/ V.P. 816/221-2800	2	30	$117.1	$156.2	$115.2	$471*
	Services Provided: Performance measurement, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement *$271.4 represents Directed Trust and Custodial Employee Benefit asset values.					
First National Bank of Minneapolis **P.O. Box A700** **120 South Sixth Street** **Minneapolis, MN 55480** **Contact:** Thomas S. Kalbrener/ Corp.T.Mktg.O. 612/370-4474	12	90	$200	$600	$1,900	$2,100
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund					
First National Bank of Tuskaloosa **P.O. Box 2028** **Tuscaloosa, AL 35403** **Contact:** Lowell A. Womack/ V.P. & S.T.O. 205/345-5000	0	15	0	$2	0	$65
	Services Provided: Portfolio analysis, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Plan administrator services					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
77	7	16	Contractual settlement date	No	Various	First of month	Within ten business days
Crediting Dividend and Interest Policy: Pre-posted on payable date. **Fee Structure:** Based on individual services performed, combined with asset value.							
16	16	16	Contractual settlement date	—	Dreyfus money market funds	First of month	Two-day turnaround
Crediting Dividend and Interest Policy: Credit to account income on payable date. **Fee Structure:** Based on asset value only.							
213**	35	28	Trade date (posted on delivery)	Buys — no, sells — yes	Commingled money market fund, Repurchase agreements, Commercial paper, Master notes, CD's, T-bills	Last business day of month	Eight to ten business days
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on asset value, plus basic account charge. **Master and Directed Trusts.							
45	22	30	Contractual settlement date	No	GMAC note, Federated master trust, Commercial paper	End of month	Within ten days of end of reporting period
Crediting Dividend and Interest Policy: Credited to account on pay date. **Fee Structure:** Based on asset value and individual services performed.							
100	15-40	15-40	Contractual settlement date	No	Master notes, CD's, T-bills, Commercial paper, pooled short-term money funds	Fourth day after month-end	Third business day
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on asset value only.							
125	N/A	N/A	Contractual settlement date	Yes	Pooled time deposit open account, Federated securities, STIF, Repurchase agreements, Commercial paper, other short-term obligations	First of month	—
Crediting Dividend and Interest Policy: When collected. **Fee Structure:** Based on asset value only.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
First Pennsylvania Bank **15th and Chestnut Streets** **Philadelphia, PA 19101** **Contact:** Michael A. Mertz/ V.P. 215/786-8708	12	61	$481	$350	N/A	$1,300
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
First Union National Bank **Suite 1200** **First Union Plaza** **Charlotte, NC 28288** **Contact:** Peter R. Nagle/ V.P. & T.O. 704/374-6152	6	24	$45	$600*	$10	$825*
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Quality screen, GIC analysis *Figures at book value.					
First Wisconsin Trust Company **P.O. Box 2054** **Milwaukee, WI 53201** **Contact:** Joseph P. Bremner/ A.V.P. 414/765-5082	16	731	$800	$820	$1,620	$2,061
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Harris Trust and Savings Bank **111 West Monroe Street** **Chicago, IL 60690** **Contact:** Richard C. Caldwell/ V.P. 312/461-6942	24	40	$4,000	$150*	$150*	$11,600
	Services Provided: Performance measurement, Porifolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, PEACS (Portfolio Evaluation and Control Service) *Consider Directed Trust and Custodial Employee Benefit asset values as the same.					
Hartford National Bank and Trust Company **One Landmark Square** **Stamford, CT 06904** **Contact:** Amos H. Crowley/ V.P. 203/358-2078	5	125	$265	$360	$50	$760
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, DTC securities clearing, GIC selection assistance, Asset quality screening service					
Huntington National Bank **P.O. Box 1558** **Columbus, OH** **Contact:** Stephen Swett/ V.P., Mktg. Mgr. 614/469-7077	0	1100	0	$100	$25	$260
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund					
Industrial National Bank of Rhode Island **Trust Department** **100 Westminster Street** **Providence, RI 02903** **Contact:** Andrew D. Parrillo/ Mgr. 401/278-6660	1	3	$1.0	$10.8	$2.6	$597.6
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
426	52	10	Trade date, contractual settlement date and actual delivery date	Yes	Repo's, Commercial paper, Treasury obligations, CD's, Pooled STIF, Master notes	On daily basis	By 15th of next month
Crediting Dividend and Interest Policy: In clearinghouse funds on payable date. **Fee Structure:** Based on individual services performed.							
450	150	50	Trade date, contractual settlement date	Yes	Common trust funds, variable notes, money market funds	Last day of month	30 days after end of reporting period
Crediting Dividend and Interest Policy: Cash, on payable date. **Fee Structure:** Based on individual services performed.							
48	3	N/A	Trade date, contractual settlement date	Yes, on sell side	STIF composed of money market instruments	Monthly	15 days
Crediting Dividend and Interest Policy: Automatically credited to account on payment date. **Fee Structure:** Based on asset value and individual services performed.							
129**	10***	12	Contractual settlement date	Yes	Investment Reserve Fund (T-bills, Commercial paper, CD's, etc.)	Next day	12-15 business days following month-end
Crediting Dividend and Interest Policy: Posted to account on payable date. **Fee Structure:** Based on individual services performed. **Individually managed. ***Master Trust accounts.							
105	15	15	Contractual settlement date	Yes	STIF (CD's, Commercial paper, Treasuries, etc.)	Monthly	End of month
Crediting Dividend and Interest Policy: Credited to account on payable date. **Fee Structure:** Based on individual services performed.							
2100	250	—	Actual delivery date	Yes	Federated funds, Commercial paper, T-bills	Within first week of month	Annual — within several months
Crediting Dividend and Interest Policy: Pay date plus one. **Fee Structure:** Based on asset value and individual services performed.							
265	25	53	Contractual settlement date	Yes	Subscribe to Short-term money market fund; move funds to higher yielding assets when appropriate	First of month	As frequently as monthly, depending on client requirements
Crediting Dividend and Interest Policy: Credit subject to collection, on payable date. **Fee Structure:** Based on asset value and individual services performed.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
Irving Trust Company **One Wall Street** **New York, NY 10015** **Contact:** Bartley J. Fleming, Jr./V.P. — 212/487-7133, Allen R. Malcolm/V.P. — 212/487-6495	21*	83	$4,800	$300	$3,200	$8,500
	Services Provided: Performance measurement, Portfolio analysis, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Options, Securities lending (public funds) *All figures as of 9/30/80.					
Lloyds Bank California **P.O. Box 54136** **Terminal Annex** **Los Angeles, CA 90054** **Contact:** Carl E. Stanford/ V.P. & T.O. 213/629-4381	0	800	0	$1,500	$500	$1,800
	Services Provided: Portfolio analysis, Portfolio review, Benefit disbursement					
Manufacturers and Traders Trust Company **One M & T Plaza** **Buffalo, NY 14208** **Contact:** James A. Cammarata/ A.V.P., Corp. & Inst. T. 719/842-5533	3	70	$115	$90	$25	$300
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Manufacturers Hanover Trust Company **600 Fifth Avenue** **New York, NY 10020** **Contact:** John A. Spiezia/ V.P. 212/957-1842	21	44	$6,500	$700	N/A	$15,200
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund					
Manufacturers National Bank of Detroit **Manufacturers Bank Tower** **Renaissance Center** **Detroit, MI 48243** **Contact:** Robert R. Schoonbeck/ V.P. & S.T.O. 313/222-4471	22	183	$6,200	$1,100	$650	$9,300
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Plan administrative services					
M&I Marshall & Ilsley Bank **770 North Water Street** **Milwaukee, WI 53202** **Contact:** Morry L. Birnbaum/ V.P. 414/756-8187	16	130	$400	$150	$550	$750
	Services Provided: Performance measurement, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Plan accounting					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
165	25	27	Trade date, contractual settlement date	Yes	Collective STIF, Master notes, Commercial paper, etc.	First business day after month-end	Ten days
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on individual services performed.							
800	200	25	Contractual settlement date	Yes	Variable interest commercial paper notes, two money market funds	Monthly	15 days
Crediting Dividend and Interest Policy: Credited to account by computer on payable dates. **Fee Structure:** Based on asset value only.							
300	60	40	Trade date	No	Master notes, CD's, T-bills, Commercial paper, Short-Term U.S. Gov't Securities Fund, Short-Term Money Market Fund	Monthly	Within ten days of month-end
Crediting Dividend and Interest Policy: Immediate cash credit on payable date. **Fee Structure:** Based on individual services performed.							
140	26	13	Trade date, contractual settlement date with pending adjustment, contractual settlement date and actual delivery date	Yes	Short-Term Reserve Fund	First of month	Ten to 15 days after month-end
Crediting Dividend and Interest Policy: In Federal funds on payable date. **Fee Structure:** Based on asset value only.							
1850	125	30	Trade date, contractual settlement date at plan sponsor's election	Yes	STIF, Master notes, CD's, Commercial paper, T-bills, Repo's	Third of month	Fourth business day of month
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Flat quote.							
30	90	25	Contractual settlement date with pending adjustment	Negotiated	Various in-house, STIF, Commercial paper, Automated cash management, Master notes, T-bills	First of month	Five to seven business days
Crediting Dividend and Interest Policy: Posted to account on payable date. **Fee Structure:** Available on request.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
Mellon Bank, N.A. **Mellon Square** **Pittsburgh, PA 15230** **Contact:** John R. Gepfert/ V.P. 412/232-6861	21	20	$7,300	$850	$64.6	$15,619
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Options management, Crosstrading with larger master trusts					
Mercantile-Safe Deposit & Trust Company **Two Hopkins Plaza** **P.O. Box 2257** **Baltimore, MD 21203** **Contact:** George P. Govatos/ V.P. 301/237-5619	293 (combined)		$746.2	$584.1	$1,312.3	$2,904.2*
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Asset allocation analysis *Total institutional trust assets.					
Merchants National Bank of Manchester **One Hampshire Plaza** **Manchester, NH 03105** **Contact:** James E. Conroy/ V.P. & T.O. 603/668-5000	54 (combined)		N/A	N/A	N/A	$20
	Services Provided: Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Options fund					
Michigan National Bank **77 Monroe Center** **Grand Rapids, MI 49501** **Contact:** Thomas L. DeFer/ V.P. 616/451-7686	0	13	0	$28	$30	$250
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Moody National Bank **P.O. Box 1139** **Galveston, TX 77553** **Contact:** E. J. Henske/ S.V.P. & T.O. 713/765-5561	—	4	—	$3	—	$3
	Services Provided: Performance measurement, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
National Bank of Detroit **611 Woodward Avenue** **Detroit, MI 48232** **Contact:** Clarence E. Kufel/ S.V.P. 313/225-3900	20*	*	$2,100*	*	$462	$5,900
	Services Provided: Performance measurement, Portfolio analysis, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund *Consider Master Trust and Directed Trust as the same.					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
202	N/A	N/A	Trade date	Yes	U.S. treasuries and agencies, Commercial paper, Repurchase agreements, CD's, demand notes	Weekly	Three to five days (cash basis), 12 business days (accrual basis)
Crediting Dividend and Investment Policy: With clearinghouse funds on payable date. **Fee Structure:** Based on asset value and individual services performed.							
49	90	7	Contractual settlement date	Negotiable	Master notes, Commingled STIF, Money funds	Same day	Daily reports — next day, Monthly and Quarterly Reports — five to seven business days, Annual Reports — four to six weeks
Crediting Dividend and Interest Policy: Credited to account on theoretical payable and settlement day. **Fee Structure:** Based on asset value, plus income, plus individual services performed.							
54	27	27	Trade date	—	Federated master trust, U.S. short-term gov't, Money Market Management, Inc.	—	—
Crediting Dividend and Interest Policy: Not reported. **Fee Structure:** Based on individual services performed.							
520	130	125	Trade date; contractual settlement date with pending adjustment; contractual settlement date; actual delivery date	Yes	Institutional Liquid Assets — Prime Obligation Portfolio, Trust for short-term U.S. gov't securities	First business day of month	One to five days
Crediting Dividend and Interest Policy: Automatic on payable date. **Fee Structure:** Based on individual services performed.							
4	2	2	Actual delivery date	No	U.S. treasuries, Commercial paper, CD's	N/A	—
Crediting Dividend and Interest Policy: Checks or credit to account when received. **Fee Structure:** Based on asset value only.							
88	7	10	Sales — contractual settlement date; Purchases — actual delivery date	Yes	Master notes, Commercial paper, CD's, Repurchase agreements, Bankers acceptances, T-bills	Computed daily; credited first of month	Cash statements and inventories — within seven business days; annual & plan accountings — within 30 business days
Crediting Dividend and Interest Policy: Federal (immediate) funds on payment date. **Fee Structure:** Based on asset value and individual services performed.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
National Trust Co., Ltd. **21 King Street East** **Toronto, Ontario, M5C 1B3** **Contact:** D. D. Landreville/ V.P.	12	40	$1,300	$1,100	$2,100	$3,200
	Services Provided: Performance measurement, Participant recordkeeping, Benefit disbursement, Index fund					
The Northern Trust Co. **50 South LaSalle Street** **Chicago, IL 60675** **Contact:** Thomas H. Kalen/ V.P. 312/630-6000	61	33	$12,084	$956	$40	$13,080
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Asset allocation					
Pacific National Bank of Washington **P.O. Box 21927** **Seattle, WA 98111** **Contact:** John P. Patterson/ V.P. & T.O. 206/292-3530	0	38	0	$79.9	$59.4	$322.0
	Services Provided: Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Republic National Bank of Dallas **P.O. Box 241** **Dallas, TX 75221** **Contact:** W. Humphrey Bogart/ S.V.P. & T.O., David J. Pittman/V.P. & T.O. 214/653-6881 214/653-6506	18	35	$3,500*	$3,500*	$3,500*	$5,000
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, TUCS, Asset allocation, Securities lending (if approved), Option accounting, Cash management and forecasting, Customized reports *Consider Master Trust, Directed Trust, and Custodial Assets as the same.					
Richfield Bank & Trust Co. **6625 Lyndale Avenue South** **Minneapolis, MN 55423** **Contact:** Robert Prentiss/ V.P. 613/861-7355	N/A	200	N/A	$40	$10	$60
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Hard asset storage					
Royal Trust Corporation of Canada **P.O. Box 7500** **Station "A"** **Toronto, Ont. M5W 1P9** **Contact:** J. A. Gordon/A.V.P., Pension Trust Mkt. 416/867-2403	27	157	$1,200	$4,500	N/A	$7,100
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, Gov't disclosure assistance, Benefit disbursement, Real estate equity fund					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
32	10	12	Trade date; contractual settlement date with pending adjustment; contractual settlement date	Yes	Interest-bearing notes, Banker discount notes, Commercial notes, T-bills, bank deposits	Computed daily/ credited monthly	--
Crediting Dividend and Interest Policy: On receivable posting. **Fee Structure:** Based on asset value and individual services performed.							
486	7*	48	Trade date (reporting)	Yes	Domestic CD's, Eurodollar CD's, Yankee CD's, Yankee bankers acceptances, Repurchases	Third business day following month-end	Three to five business days following month-end
Crediting Dividend and Interest Policy: Clearinghouse funds on payable date. **Fee Structure:** Based on asset value only. *Master Trust accounts.							
111	16	16	Actual delivery date	Yes, by keeping funds invested until actual delivery date	Dealer commercial paper, Master notes	Accrued daily, paid first business day of month	Mailed within seven business days after period-end
Crediting Dividend and Interest Policy: Credited to account on payable date. **Fee Structure:** Based on individual services performed.							
105	10	10	Trade date; contractual settlement date with pending adjustment; contractual settlement date	Yes	Republic Short-Term Securities Fund (P-1, A-1 commercial paper investments only)	First business day of month	Five business days after report date
Crediting Dividend and Investment Policy: Federal funds on payable date. **Fee Structure:** Based on individual services performed.							
100	100	50	Contractual settlement date with pending adjustment	Yes	ILC	Third or fourth business day of month	Daily, if requested
Crediting Dividend and Interest Policy: Posted and invested short term next day as received. **Fee Structure:** Based on individual services performed.							
200*	12	8	Trade date (for reporting purposes only), Contractual settlement date (for actual cash posting)	No	Short-term notes, T-bills, Company GTD Deposit Account	Last day of month	Third week after end of quarter
Crediting Dividend and Interest Policy: On payable date. **Fee Structure:** Based on asset value only. *Individually managed.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
Seattle Trust & Savings Bank **804 Second Avenue** **Seattle, WA 98111** **Contact:** John T. Garland/ A.V.P. 206/223-2030	0	47	0	$17.6	$6.8	$165
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Master corporate pension & profit-sharing plans					
Simmons First National Bank **P.O. Box 7009** **Pine Bluff, AR 71611** **Contact:** J. W. Eaton/T.O. 501/541-1107	3	19	$3.8	$1.9	$.1	$25.2
	Services Provided: Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					
Southern National Bank of Houston **P.O. Box 2529** **Houston, TX 77001** **Contact:** Milton Denlinger/ T.O. 713/759-2965	100	75	$75	$6	$9	$90
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, Benefit disbursement					
St. Louis Union Trust Company **510 Locust Street** **St. Louis, MO 63101** **Contact:** William F. Florich, James R. Janetz/Pension Development 314/231-9300	6	27	$423.0	$212.4	$196.4	$2,828.5
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance,* Benefit disbursement, Index fund *Report styled in manner adaptable to 5500 form.					
State Street Bank and Trust Company **P.O. Box 351** **Boston, MA 02101** **Contact:** Alex Kondracki/ V.P. 617/786-6350	50	20	$12,000	$150	N/A	$12,200
	Services Provided: Performance measurement, Portfolio analysis, ERISA disclosure assistance, Benefit disbursement, Index fund					
Suburban Trust Company **2601 University Boulevard, West** **Wheaton, MD 20902** **Contact:** Reeve W. Draft/T.O.	0	23	0	$20	$2	$50
	Services Provided: Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
—	9	—	Trade date	—	Institutional Liquid Assets Fund, Pacific N.W. Bell master note, Wells Fargo master note	Last business day of month	—
Crediting Dividend and Investment Policy: Dividend suspense A/c on payable date. **Fee Structure:** Based on individual services performed.							
161	161	80	Actual delivery date	—	Money Market Trust	Second business day of month	15 days after PYE
Crediting Dividend and Interest Policy: Actual when received. **Fee Structure:** Based on asset value only.							
25	50	—	Not reported	—	Federated master trust, Commercial Paper Fund	Month-end	—
Crediting Dividend and Interest Policy: Not reported. **Fee Structure:** Based on asset value only.							
574	60	70	Contractual settlement date	Yes	Master notes, Banker's acceptance, Commercial paper, CD's, Repurchase agreements	Second business day of month	Varies according to report
Crediting Dividend and Interest Policy: Credited to account, with principal and income cash balances automatically reinvested daily through short-term investment fund, on payable date. **Fee Structure:** Based on asset value only.							
60	60	5	Trade date, actual delivery date	Yes	Federated Trust	First of month	Three days
Crediting Dividend and Interest Policy: Automated when received. **Fee Structure:** Based on individual services performed.							
300	4	3	Trade date	Yes	State Street STIF	Daily	Five to seven days
Crediting Dividend and Interest Policy: Good funds when received. **Fee Structure:** Based on individual services performed.							

Name and Address of Bank	Number of Separate Master Trust Clients	Number of Directed Trust Clients	Master Trust Assets (in millions)	Directed Trust Assets (in millions)	Custodial Assets (in millions)	Total Employee Benefit Assets (in millions)
Sumitomo Bank of California **365 California Street** **San Francisco, CA** **Contact:** Bob R. Otani/ V.P. & Mgr. 415/445-8090	0	634	0	$75	$10	$85
	Services Provided: Benefit disbursement					
Texas Commerce Bank, N.A. **P.O. Box 2558** **Houston, TX 77001** **Contact:** John W. Kesner/ S.V.P. & T.O. 713/236-4444	11	24	$660	$450	$1,123	$2,600
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Cash management, Audit assistance					
United States Trust Company of New York **45 Wall Street** **New York, NY 10005** **Contact:** Alfred H. Antignolo/ V.P., Richard R. Smith/V.P. 212/425-4500	11	58	$1,200	$1,800	$11,000	$14,000
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Asset allocation, STIF, Portfolio characteristics					
Wachovia Bank & Trust Company, N.A. **P.O. Box 3099** **Winston-Salem, NC 27102** **Contact:** Jane B. Fisher/ V.P. 919/748-6348	25	15	$3,400	$400	$10	$4,800
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement, Index fund, Foreign investment service, Bond immunization					
Wells Fargo Bank **475 Sansome Street** **P.O. Box 44050** **San Francisco, CA 94144** **Contact:** Roberta Lyon/ V.P. & T.O. 415/396-5561	54	N/A	$2,700	N/A	N/A	$6,000
	Services Provided: Performance measurement, Portfolio review, Portfolio analysis, Participant recordkeeping, International Market Fund, ERISA disclosure assistance, Benefit disbursement, Index fund, Market inventory fund, Value Added Equity Fund, Yield Tilt Market Fund, Real Estate Equity Fund, Asset allocation, Multiple manager evaluation, Performance evaluation, Portfolio structuring, Risk measurement and control					
Wilmington Trust Company **Tenth & Market Streets** **Wilmington, DE 19899** **Contact:** Robert B. Landon/ V.P. 302/428-7317	6	59	$132	$3,790	$110	$4,032
	Services Provided: Performance measurement, Portfolio analysis, Portfolio review, Participant recordkeeping, ERISA disclosure assistance, Benefit disbursement					

Number of Portfolios Maintained	Average Number of Accounts per Account Supervisor	Average Number of Accounts per Investment Mgr. Contact	Accounting System Utilized	Fail Float Credit	Short-Term Instruments Used	Date Interest on Short-Term Fund Credited	Timeliness of Reporting Package
—	—	—	Actual delivery date	Yes	CD's, Banker's acceptances, Prime commercial paper, T-bills, Notes	As received	Within 45 days
Crediting Dividend and Interest Policy: As received. **Fee Structure:** Based on asset value only.							
80*	66**	30	Purchases — contractual settlement date; sales — actual delivery date; trade date currently being programmed	No	Master notes, Repurchase agreements, Institutional liquid assets, Commercial paper	Five days after month-end	Ten business days
Crediting Dividend and Interest Policy: Dividends credited to account on payable dates; interest credited to account when received. **Fee Structure:** Based on individual services performed. *Master and Directed trusts. **All employee benefits.							
114	6-7	20	Actual delivery date	Yes	STIF, Master notes	Payable date	Three to 15 days
Crediting Dividend and Interest Policy: On payment date. **Fee Structure:** Based on individual services performed.							
125	5	25	Contractual settlement date with pending adjustment	Yes	Pooled short-term money fund, Master notes	First business day of month	Ten days, unless client has special time frames
Crediting Dividend and Interest Policy: By Federal funds on payable date. **Fee Structure:** Based on asset value only.							
150	10-20	10-20	Contractual settlement date	Yes	Automated daily computerized transfer to STIF, Master notes, CD's, T-bills, Direct placement commercial paper	Payable date	Ten days
Crediting Dividend and Interest Policy: Automatically credited on payable date. **Fee Structure:** Based on individual services performed.							
182	15	20	Contractual settlement date	If requested	In-house master notes, Short-term market instruments	Monthly and at maturity	Monthly
Crediting Dividend and Interest Policy: Credited to account on payable date, if in bank's nominee name or bearer; when actually received, if in customer's name. **Fee Structure:** Based on computed market value of account with additional charge for individual services performed.							